

THE WEATHER — PARIS: Friday, cloudy, Temp. —64 °C. 22. LONDON: Friday, rainy, Temp. —6-8 (31-32). CHANNEL: Friday, cloudy, Temp. 9-15 (48-59). FRANKFURT: Friday, rainy, Temp. —6-8 (31-32). NEW YORK: Friday, cloudy, Temp. —5-7 (32-33).

ADDITIONAL WEATHER DATA — PAGE 12

INTERNATIONAL

Herald Tribune

Published with The New York Times and The Washington Post

PARIS, FRIDAY, JANUARY 15, 1982

No. 30,763

Established 1887

Search Goes On in Potomac After 76 Die in Plane Crash

The Associated Press

WASHINGTON — Recovery teams in boats, helicopters and in a cage lowered by crane searched Thursday for scores of bodies beneath the ice-crusted Potomac River in the fuselage of an airliner that crashed while taking off from National Airport Wednesday.

A police official said "the slow, tedious task" of recovery might take three days.

Seventy-four of the 79 persons on the Air Florida Boeing 737 were killed and most sank with the plane, still strapped in their seats. Among the survivors was a flight attendant.

Two other persons were killed and three seriously injured as the plane slammed into cars inching across the 14th Street Bridge, which was laden with rush-hour

traffic. The impact sheared the tops off some of the vehicles.

The death toll issued by Air Florida included three infants, five crew members and an airline employee riding as a passenger. The Pentagon said it believed that seven members of the military, an Army civilian employee and the wife and two children of a Navy officer also were aboard.

Divers and others had managed to pull only nine bodies from the plane's wreckage or from the river water during the four hours before nightfall Wednesday and floating shards of ice hampered their work.

As heavy equipment was brought in Thursday to hoist the fuselage from beneath the ice, the bodies of two victims — an infant and an adult — were spotted be-

tween ice floes and pulled from the river. The bodies were frozen.

Five persons were plucked alive from the fragments of the plane or from the river water, which is cold enough to kill in minutes.

Although the recovery crews know precisely where the plane went down, they encountered difficulty locating the wreckage.

"We expect the recovery to be a slow, tedious task, taking anywhere from one to two to three days, perhaps," the police inspector said. "We want to make the recovery as quickly as possible, but you must keep in mind the fact that weather conditions are such that they are not conducive to rapid recovery."

A crane positioned on the span lowered a cage bearing two men to the water for a closer look. Helicopters flew at river level. A Coast Guard cutter and a smaller boat pushed aside the thick ice.

Although a snowstorm that had been forecast had not begun yet, the temperature was in the mid-20s Fahrenheit and the sky was gray, adding to the recovery problems.

Holes in Ice for Platform

The divers were making holes in the ice for a platform from which to dive. The Army Corps of Engineers brought a huge plank to place in the river for the same purpose.

Ira J. Furman, a spokesman for the National Transportation Safety Board, said one set of divers would try to locate the plane's flight data recorder while the other surveyed the fuselage to see whether it can be lifted out intact. Francis McAdams, head of the transportation board team of investigators, said, "They may have to lift the wreckage before they get to the bodies."

He said they would try to determine whether the plane was properly de-iced before takeoff and how long it stood at the airport before it was treated with a de-icing compound. The airport had been closed because of blowing snow for more than an hour and another hour had elapsed before the jet took off.

The plane had been serviced by American Airlines ground crews. In Miami, Air Florida's senior vice president, Cesar Alvarez, said, "As far as I know, the plane was de-iced two to three times prior to the flight."

National Airport, closed after the crash, reopened at 7 a.m. Thursday and was operating normally.

President Reagan saw the recovery operations from the air as his Marine Corps helicopter took him to Andrews Air Force Base for a flight to New York, where he was to make a speech. A rescue official said, "The president has told us that anything the United States has is available to us."

The last major crash involving an airliner was on Oct. 31, 1979, when a Western Airlines DC-10 crashed in Mexico City. The last crash of a commercial plane at National, a medium size airport on the Virginia bank of the Potomac, was in 1949.

The Boeing 737, carrying 74 passengers and five crew members, took off from National Airport, clipped a span of the 14th Street Bridge, then toppled into the river barely 100 yards from a second span crowded with commuters headed home to Virginia in the driving snow.

Mr. Furman said there was no hint why Air Florida Flight 90 to Tampa and Fort Lauderdale crashed, but one of the survivors said he had an uneasy feeling from the start.

"I had a pretty good indication things weren't going right when we started down the runway," said Joseph Stiley, 42, a licensed private pilot. "I think it might have been just a little bit heavy from the ice."

The airport control tower reported no distress calls from the plane during its few seconds of flight. Visibility was about a half mile, close to the minimum. Three inches of snow had fallen, and it was snowing heavily at the time of the crash, about 4 p.m.

When she lost her grip, Mr. Skutnik decided to dive in to save her.

Arriving at the crash scene, Mr. Skutnik and his companions parked their vehicle and went to the river's bank. He saw a woman desperately trying to keep a grasp on a life preserver.

When she lost her grip, Mr. Skutnik decided to dive in to save her.

"When I reached her she seemed to be unconscious," he said. "She was out. Her eyes were rolled back. Nothing was moving. I got behind her and pushed with each stroke. Finally, I reached the bank and others on shore helped pull her in."

Frank Taylor, director of the

(Continued on Page 2, Col. 5)

The Associated Press
A passenger from the Boeing 737 that went down in Washington grasped a life preserver during rescue operations on Wednesday.

A Hero of 737 Disaster Vanished Under River

From Agency Dispatches

WASHINGTON — An unidentified passenger helped others to safety before vanishing in the icy waters of the Potomac in one of the numerous acts of heroism after the Air Florida crash here Wednesday.

The passenger was bald, about 50 years old, one of half a dozen survivors clinging to wreckage bobbing in the river when the first helicopter arrived. To the craft's two-man Park Police crew he seemed the most alert.

Life vests were dropped, then a flotation ball. The man passed them to the others. On two occasions, the crew recalled, he handed away a life preserver from the hovering machine that could have dragged him to safety.

Returned to Scene

The crew, who rescued five persons, lifted a woman to the riverbank, then dragged three more persons across the ice toward safety. Another victim, a woman, had slipped into the water about 20 feet from shore but was rescued by a passer-by, Lenny Skutnik, 28, who flung off his boots and coat and dived into the river.

The helicopter crew then saved a woman who was trying to swim away from the sinking wreckage, and the helicopter pilot, Donald W. Usher, returned to the scene but the bald man was gone.

"That guy was amazing," said M.E. Windsor, the paramedic aboard the craft. "All I can tell him is he was a hero."

Relations between Israel and Egypt have been cool since Mr. Begin's sudden decision on Dec. 14 to virtually annex the Golan Heights captured from Syria in 1967.

The United States voted to condemn the action in the United Nations Security Council and then suspended the implementation of the memorandum of understanding on strategic cooperation that had been signed Nov. 30 in Washington. Mr. Begin replied with a scorching attack on Washington and said the suspension was tantamount to a cancellation.

Mr. Haig did not discuss the status of the strategic cooperation agreement with Israeli leaders, as part of an advance understanding

you is I've never seen that kind of guts. It seemed to me like he decided that the women, the men who were bleeding, needed to get out before him, and even as he was going under he stuck to his decision and helped them get out."

"Gene and I were talking as we went back over," said Mr. Usher, "and we said even if he was under and we could see him, we were going to get him. Man, that was bravely."

But there was no trace of the man, whose identity could not be learned Wednesday night.

Mr. Skutnik, an office service assistant with the Congressional Budget Office, was interviewed after spending 30 minutes in a hot tub at a Virginia hospital as treatment for exposure. He and four others had left their jobs early because of heavy snow in the Washington area and were driving home together.

Arriving at the crash scene, Mr. Skutnik and his companions parked their vehicle and went to the river's bank. He saw a woman desperately trying to keep a grasp on a life preserver.

When she lost her grip, Mr. Skutnik decided to dive in to save her.

"When I reached her she seemed to be unconscious," he said. "She was out. Her eyes were rolled back. Nothing was moving. I got behind her and pushed with each stroke. Finally, I reached the bank and others on shore helped pull her in."

Frank Taylor, director of the

(Continued on Page 2, Col. 5)

to put it aside for now, spokesman for both sides said.

Relations between Israel and Egypt have been cool since Mr. Begin's sudden decision on Dec. 14 to virtually annex the Golan Heights captured from Syria in 1967.

The United States voted to condemn the action in the United Nations Security Council and then suspended the implementation of the memorandum of understanding on strategic cooperation that had been signed Nov. 30 in Washington. Mr. Begin replied with a scorching attack on Washington and said the suspension was tantamount to a cancellation.

Avoiding a Deadline

In his separate talks with Prime Minister Menachem Begin, Foreign Minister Yitzhak Shamir and Defense Minister Ariel Sharon, Mr. Haig said that while the United States was trying to avoid a deadline or "target date" he was hoping that an intensive effort could be made so that an accord could be achieved by the time Israel

completed its return of the Sinai to Egypt on April 25.

According to an Israeli Foreign Ministry spokesman, the Israelis are ready to join in the renewed effort. In welcoming remarks for Mr. Haig at Ben Gurion Airport, Mr. Shamir said the Israeli government "will do our utmost to help and to work together with him toward this important and vital goal."

In his remarks at the airport, Mr. Haig said President Reagan and he had concluded in Washington "that the time had come in the process of these autonomy talks for high-level review of their current status to see whether or not it would be possible to bring about, in the near term, even more expedited treatment of these autonomy questions."

He said that a high-level negotiator might be chosen, that he might return himself or that some different approach might be selected. Mr. Haig held two meetings with Mr. Shamir and a group of experts from both sides to discuss Israel's position in detail.

He said that a high-level negotiator might be chosen, that he might return himself or that some different approach might be selected. Mr. Haig held two meetings with Mr. Shamir and a group of experts from both sides to discuss Israel's position in detail.

"We Germans aren't roaming between two different worlds," Mr. Schmidt said in an attempt to deal with accusations that his government had become increasingly neutralist and interested in a role as a go-between for the United States and the Soviet Union.

These charges, he said, were essentially reflected in editorial comment in the United States and

After meeting with Mr. Begin, Mr. Haig said he was hoping for an early agreement in the autonomy negotiations, but without any doubt.

He stressed that despite speculation in the Israeli press he had not brought any new proposals with him, but rather was "here to be a catalyst" in the talks. After returning to Washington with the detailed views of Egypt and Israel, he said, U.S. officials will make an assessment and return to the area for further discussions.

He said that a high-level negotiator might be chosen, that he might return himself or that some different approach might be selected. Mr. Haig held two meetings with Mr. Shamir and a group of experts from both sides to discuss Israel's position in detail.

"We Germans aren't roaming between two different worlds," Mr. Schmidt said in an attempt to deal with accusations that his government had become increasingly neutralist and interested in a role as a go-between for the United States and the Soviet Union.

These charges, he said, were essentially reflected in editorial comment in the United States and

"We Germans aren't roaming between two different worlds," Mr. Schmidt said in an attempt to deal with accusations that his government had become increasingly neutralist and interested in a role as a go-between for the United States and the Soviet Union.

These charges, he said, were essentially reflected in editorial comment in the United States and



Salvage operations began Thursday to locate wreckage of the Air Florida plane and bodies.



The Associated Press
A helicopter crew member pulled a passenger of the Florida-bound plane from the icy Potomac River after the accident.

Relations between Israel and Egypt have been cool since Mr. Begin's sudden decision on Dec. 14 to virtually annex the Golan Heights captured from Syria in 1967.

The United States voted to condemn the action in the United Nations Security Council and then suspended the implementation of the memorandum of understanding on strategic cooperation that had been signed Nov. 30 in Washington. Mr. Begin replied with a scorching attack on Washington and said the suspension was tantamount to a cancellation.

Mr. Haig did not discuss the status of the strategic cooperation agreement with Israeli leaders, as part of an advance understanding

Warsaw Reports Bombing Near Party Building

By Brian Mooney
Reuters

WARSAW — The Polish authorities reported Thursday that a bomb had exploded in a telephone booth close to the Communist Party headquarters in Warsaw in the first such incident since martial law was imposed Dec. 13.

The official press agency PAP said the booth was damaged and windows in a cafe and in two parked cars were blown out by the explosion Thursday afternoon.

The kiosk is almost opposite the party building. PAP said the people responsible for the explosion had not been identified.

Such attacks are rare in Poland. The last recorded bombing was of the Soviet airlines offices in Warsaw shortly after the August 1980, labor revolt.

It appeared likely that the attack was linked with opposition to martial law, but the suspended Solidarity free trade union was not thought responsible. The union has preached passive resistance and warned its members against violence.

Solidarity has continued to function underground in defiance of the military authorities and despite the restrictions imposed upon it by martial law.

Solidarity Bulletins

A series of underground Solidarity bulletins circulated in Warsaw Thursday in a further indication that the union was continuing to operate. Solidarity activists in Poznan said they were also obtaining and circulating their bulletins.

A bulletin identified as No. 14 since the military crackdown was imposed in Wroclaw and "from day to day" in Lodz as "Fighting Solidarity" and Lublin as "Information Bulletin."

"In Warsaw more and more underground publications are appearing either produced by lithography or written and sometimes handwritten," it said.

Many of the underground publications condemned the military takeover as a disguised Soviet invasion and expressed support for retaliatory Western sanctions.

An appeal by Warsaw students said Poland faced "a brutal Soviet invasion" and that the fact that martial law was imposed by Polish soldiers only proves that the Soviet Union wants to avoid international repercussions."

"The fact that intervention took such a refined form is only a measure of the cunning of Soviet politicians and of the far-reaching loyalty of the Polish military to the Kremlin," the statement said.

Poland has strenuously denied Western allegations that the military crackdown was ordered at the behest of Moscow. The ruling military council, led by Gen. Wojciech Jaruzelski, says it took over power to avoid civil war and prevent armed insurrection.

It says the crackdown is a internal matter and has accused the West of blatant interference by imposing sanctions. The military has also given repeated assurances that the reforms begun after the 1980 labor revolt would continue.

New Minister

A reform-minded deputy prime minister, Mieczyslaw Rakowski, has been given a prominent role in the new power structure and was scheduled to address foreign reporters about government plans early next week. Gen. Jaruzelski was also scheduled an address to Mr. Schmidt and President Reagan.

The most specific of these documents approved by NATO in Brussels on Monday, calls on member countries to "identify" and "examine" so-called "appropriate national possibilities for action on Poland."

The Christian Democratic motion appeared to be a tactic to point out what the opposition asserts is the government's unwillingness to accept the idea of sanctions against the Soviet Union.

Under such a state, union and civil freedoms would remain but the army would return to its barracks.

Meanwhile, there was confusion about the position of a trade union official who told reporters Wednesday that he had written and signed a public approval of martial law last month under duress and then had withdrawn it. His remarks appeared to take officials by surprise.

Poznan radio broadcast a new statement Thursday by the Solidarity leader, Zbigniew Ruzwak, in which he denied being forced to approve of military rule. A Foreign Ministry official said Mr. Ruzwak contacted Poznan radio Thursday after hearing on foreign news broadcasts that "his statement was somewhat changed."

Reporters who talked to Mr. Ruzwak recalled the following dialogue from their notebooks:

"You made a statement supporting martial law, do you still stand by it?" Mr. Ruzwak replied: "No, not now," he explained without further questions why he withdrew his first statement.

Arabs Claim Majority For UN Sanctions on Israel; Veto Expected

By Don Shannon
Los Angeles Times Service

UNITED NATIONS, N.Y. — Arab members of the UN Security Council claim the support of the council for a resolution to impose sanctions against Israel for its annexation of the Golan Heights.

But Jordan's ambassador, Hazem Nuseibeh, who introduced the measure on Wednesday, predicted that the United States and possibly Britain and France would veto the proposal.

The sanctions resolution, introduced after 10 days of debate, was modified to eliminate a call for UN members to cut off all trade with Israel. But it would call on member states to break diplomatic relations with Israel, and sanctions remaining in the resolution would embargo all military aid, as well as "economic, financial and technological assistance."

"We have nine votes, possibly 10," the Jordanian envoy said after a brief council debate. "There might be two or three abstentions and two or three vetoes."

Two council members and three other speakers used the debate to denounce the Israeli annexation, announced Dec. 14, of the Syrian territory that has been occupied by Israel since the 1967 Middle East war.

On Thursday, the Security Council postponed a vote on the resolution until Friday. The delay

was requested by the United States, council members said after conferring privately.

Nine is the required minimum to adopt a resolution. However, any of the five permanent members of the council can veto a resolution no matter how large the majority.

The Soviet Union and China, both permanent members, are expected to support the resolution, along with Guyana, Jordan, Panama, Poland, Spain, Togo, Uganda and Zaire. Spain's support for sanctions would mark a break in the customary unity of West European states.

The elimination of the ban on trade was agreed upon at a caucus of Arab states Tuesday. Mr. Nuseibeh said it was removed in order to ensure the minimum nine votes, with Panama understood to have joined the majority once the measure was changed.

A U.S. official said the elimination of trade sanctions made no difference in Washington's view. The United States found unacceptable the proposed resolution's condemnation of Israel and the inclusion of any sanctions.

A spokesman for the British delegation predicted that Britain would veto any attempt to impose sanctions on Israel. A French spokesman said it was possible that his government might also cast a veto, or at least abstain.

Sanctions against a UN member

Begin's Rating Slips Following Move on Golan

United Press International

TEL AVIV — Prime Minister Menachem Begin's popularity slipped 10 percent in an opinion poll taken two weeks after Israel annexed the Golan Heights, the newspaper *Yediot Ahronot* reported Thursday.

The poll, conducted between Dec. 23 and 30, asked 1,250 adults to grade the prime minister's performance and to name the political figure they thought best suited for the position.

Mr. Begin still led the field by a wide margin with 42.3 percent, but his showing was 10 percentage points less than the 52.3 percent he received in a sampling in November.

state have been adopted only once before, in a ban on arms sales to South Africa.

Soviet, Syrian Ministers Meet

MOSCOW (UPI) — Foreign Minister Andrei A. Gromyko and Syrian Foreign Minister Abdel Halim Khaddam met Thursday to discuss how to respond to the Israeli annexation of the Golan Heights, Tass said.

It was pointed out that Israel's provocative attempt to legitimize the annexation of Syria's Golan Heights is a direct consequence of the anti-Arab Camp David collision, Tass said. Diplomatic sources said Mr. Khaddam would ask for coordinated foreign policy in the region and more military aid.

The U.S.-Israeli statement on the multinational force was drafted in November after Mr. Shamir flew to Washington at the request of Secretary of State Alexander Haig Jr.

Israel's former rejection of four European countries had been expected to make it difficult for the United States to enlist Canada, Australia and New Zealand, who agreed to participate only with the involvement of the EEC countries.

The four countries signed in effect, to a joint U.S.-Israeli statement in November saying that the Camp David peace accords are the basis for the force and that the Venice declaration is not relevant to participation.

An Israeli Foreign Ministry official said the letters of participation, which were not identical, would be considered by the Israeli

Spain Drops Joint Chiefs Of Military

Unexpected Decision Term 'Opportunity'

Reuters

MADRID — The joint chiefs of staff of the Spanish armed forces will be replaced Friday, the Defense Ministry announced Thursday.

A statement described the surprise move as a "normal and opportune change" and said the four officers had agreed to it. It said they were nearing the age of retirement and it was convenient to replace them before Spain started negotiations for entry into NATO.

The president of the joint chiefs is air force Lt. Gen. Ignacio Alfonso Arellano. The three other officers are Lt. Gen. Jose Gabarron Montoro, the army chief of staff, navy chief Adm. Luis Arevalo Peluz and air force chief Lt. Gen. Emiliano Alfonso Arellano.

The statement said the superior councils of the army, air force and navy met Thursday to draft lists from which the Cabinet would pick their successors. It said Prime Minister Leopoldo Calvo Sotelo had "weighed up all current circumstances" before deciding to replace them.

Facing Court-Martial

More than 30 military officers, including three generals, are to go before a court-martial, possibly next month, charged with military rebellion in connection with an attempted coup last February.

Mr. Calvo Sotelo and Defense Minister Alberto Oliart were meeting with King Juan Carlos I at the Zarzuela palace outside Madrid.

Official sources said they would inform the monarch, commander in chief of the armed forces, of the appointments.

The February putsch attempt collapsed after the king firmly defended Spain's six-year-old democracy.

Signs of unrest among the military have surfaced several times in the past few months, and 100 junior and noncommissioned officers have signed a manifesto last month in favor of the coup leaders.

King Juan Carlos told the general assembly this month that no one should try to become the savior of his fellow countrymen against their will.

The Federal Aviation Adminis-



Rescue workers searched through the wreckage on Washington's 14th Street Bridge after a jetliner hit the structure.

76 Die in Washington Plane Crash

(Continued from Page 1)

transportation board's bureau of accident investigations, said the de-icing solution sprayed on the plane during a turnaround from Florida had been impounded. He said samples also were taken from fuel tanks used to supply the plane.

The Federal Aviation Administration said there was no reason to suspect an air traffic controller er-

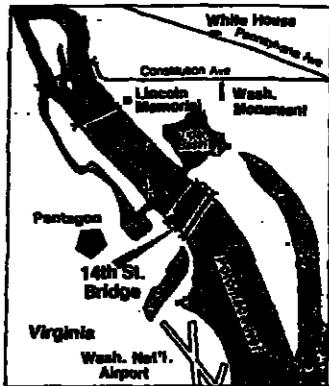
ror for the crash, the first involving a major airline since thousands of untrained controllers were fired last August. "From preliminary information, it has absolutely nothing to do with the air traffic controllers," a spokesman said.

Less than 30 minutes after the Air Florida crash, a subway operator on Washington's Metro system backed a packed train that had started down the wrong track into a concrete divider, killing three persons and injuring two dozen others.

The accident, coupled with the plane crash, severely taxed the city's emergency services. Rescue teams from the Maryland suburbs and Bolling Air Force Base were summoned to the scene of the sub-

way wreck.

The subway system began opera-



WORLD NEWS BRIEFS

Reagan Refuses Blame for Recession

The Associated Press

NEW YORK — President Reagan disclaimed responsibility Thursday for the current recession, telling 1,600 business and civic leaders at a luncheon that his administration was "a cleanup crew for those who went on a nonstop binge and left the tab for us to pick up."

Mr. Reagan promised that the recession would end "faster than expected." He also called for the private sector to take over some social services.

The group he addressed, the New York City Partnership, a coalition of civic and business leaders headed by David Rockefeller, the chairman of Chase Manhattan Bank, is privately sponsoring almost 14,000 jobs for youths.

After the luncheon, Mr. Reagan met briefly for the first time with the new secretary-general, Javier Perez de Cuellar, and with the chief U.S. representative to the United Nations, Jeane J. Kirkpatrick.

Ruling Council in Ghana Frees 38

The Associated Press

ACCRA, Ghana — The ruling Provisional National Defense Council has released 38 persons from custody, including four former ministers and 32 legislators, two weeks after a military coup deposed Ghana's civilian government.

An announcement late Wednesday said George Benneh, a former finance and economic planning minister, was among those freed. Mr. Benneh had turned himself over to authorities after the Dec. 31 coup in which Jerry J. Rawlings, a former air force lieutenant, took power for the second time in three years.

Others released were Joe Reindorf, a former justice minister and attorney general; K.S.P. Janjush, a former interior minister; and Francis Agyap, formerly head of youth and rural development. Sixty-four deputies of a 140-seat parliament are reported to have surrendered to authorities. The fate of the others is not known, but about 30 are believed to have escaped to Nigeria.

Ecevit Acquitted of Slander Charge

Reuters

ANKARA — Former Turkish Premier Bulent Ecevit was acquitted Thursday of slandering the former government of Suleyman Demirel in the mid-1970s when he was opposition leader.

A civil court found Mr. Ecevit, 56, not guilty of the charges in a session lasting less than an hour. He had been accused of calling the government treacherous and fascist.

Mr. Ecevit was taken to the court from Ankara civilian prison, where he is serving a three-month sentence imposed by the military for violating a decree against public statements by former politicians. Both Mr. Ecevit and Mr. Demirel, as well as other political leaders, had civil actions pending against them before the military coup in September 1980. But the cases were not brought because of ministerial immunity. The military authorities ordered the cases reopened.

U.K. Miners Begin Vote on Pay Offer

The Associated Press

LONDON — Britain's 216,000 miners began voting Thursday whether to accept the offer of a 9.5-percent pay increase or authorizing their union to order a walkout.

The executive of the National Union of Mineworkers has called on miners to reject the offer by the National Coal Board, which runs the state-owned industry. Under union rules, a 55-percent majority is required before a strike can be called.

Sir Derek Isaacs, the coal board chairman, has appealed to the miners to accept the board's offer, saying that it cannot pay more and that it so would mean loss of jobs. His appeal was backed by Joe Gormley, the moderate outgoing president of the union, who argued that a still moderate pay increase would cost the miners wages and jeopardize coal board plans to expand the industry.

Pakistan Holds 480 Suspected Rebels

Reuters

ISLAMABAD, Pakistan — Pakistani authorities have arrested 480 suspected members of an organization that wants to overthrow the military government of President Mohammed Zia ul-Haq, Interior Minister Ma

moud A Haroon said here Thursday.

Mr. Haroon said the suspects were in police custody for their association with the al-Zulfiqar organization.

Pakistani officials have said the organization is based in Kabul and led by Murtaza Bhutto, eldest son of Zulfikar Ali Bhutto, the former prime minister who was executed in 1979.

Harvard Gift Believed to Be Record

New York Times Service

BOSTON — Harvard University has disclosed that as a result of merger agreement, a bequest by an alumnus 15 years ago has become what is believed to be the largest single gift in the history of American education.

Harvard said Wednesday that its approximately 1.5 million shares of Mallinckrodt Inc. would be worth \$77 million when Avon Products acquired the St. Louis-based chemical and health care products company this month.

Edward Mallinckrodt Jr., the company's chairman, who died in 196

left the shares as a trust to Harvard.

In St. Louis, a Mallinckrodt shareholder filed a lawsuit in federal court to prevent the takeover by Avon. The lawsuit said Mallinckrodt officials agreed to the takeover because on Jan. 18 they would lose control over some shares held in trust to benefit Harvard and Washington University in St. Louis.

U.S. Toughens Line on Trade With Russia

(Continued from Page 1)

Western countries for equivalent products.

It was for this reason that next week's meeting of the Coocom partners in Western Europe is considered so significant.

Administration officials calculate that the Russians will earn \$5 billion a year from gas sales to Western Europe if the pipelines is completed. This, they contend, would increase the Soviet ability to purchase computers, advanced electronics equipment and other high technology products.

"We must never forget the words of Vladimir Lenin, who prophesied that the capitalist would gladly sell the rope with which they would be hung. The Siberian pipeline represents such a rope," Mr. Brady said.

So concerned is the U.S. government

that the Central Intelligence Agency, officials reported, has recently set up a special center to monitor such transfers and assess the effects on Soviet military development.

Mr. Brady said the Soviet intelligence services operated a "vast covert apparatus in the West whose function is to procure, legally or illegally, the most advanced technology available."

He said Soviet firms and trade ministries had cultivated a "vast network of influence" in Western countries to maintain a continuity of U.S.-Soviet commercial relations "even when security needs in the West demand policy adjustments."

He said also that Soviet leaders were "inventing a new style of double-speak to confuse the West."

"While they threaten Europe with economic sanctions, they announce the United States for its unacceptable use of the trade weapon," he pointed out. "I think we are far too sophisticated to fall for Soviet big-lie techniques," Mr. Brady said.

He said also that Soviet leaders were "inventing a new style of double-speak to confuse the West."

The chancery, he said, had not mentioned the Soviet Union in any of its public statements from the imposition of martial law in Poland on Dec. 13 until his visit to Washington, dealt clearly this time with Soviet responsibility.

"The Soviet Union may not stand in the way of the necessary transformation and evolution in the countries of its alliance system — it may not hinder them," he said.

Mr. Kohl said that there had been tragic disunity within NATO over the last month and that Mr. Schmidt and his party were significantly responsible.

He cited a French-West German statement from February, 1980, in which both governments agreed that detente could not withstand another blow like the Soviet intervention in Afghanistan. "How far have we fallen," Mr. Kohl asked the chancery, "when you won't recognize official documents two years later?"

He noted that, on Monday, the day that NATO foreign ministers prepared a catalogue of possible economic sanctions, Willy Brandt, chairman of the Social Democratic Party, was reporting that West Germany would have no part of them.

The Soviet government categorically rejected suggestions that it was violating the agreement and dismissed Western speculations

Sanction Call In Bundestag

(Continued from Page 1)

France, rather than the attitudes of the governments involved.

Referring to meetings in the last two weeks with President Reagan and President Francois Mitterrand of France, the chancery said they agreed with him "that in the present hour of political danger the unity of the alliance must not be endangered."

While members of the opposition scoffed and laughed, Mr. Schmidt spoke of a "gratifying unity of views" between Bonn and Washington and said that there were "no divergencies" with the French concerning policy, but rather "differing presentations."

The chancery, he said, had not mentioned the Soviet Union in any of its public statements from the imposition of martial law in Poland on Dec. 13 until his visit to Washington, dealt clearly this time with Soviet responsibility.

The Soviet Union suffered an embarrassment when the Sverdlovsk incident was first reported in the Western press nearly a year after it took place.

The United States charged in the spring of 1980 that circumstances suggested that the agent in the Sverdlovsk accident was a highly potent bacterium that causes anthrax. Anthrax is almost always fatal to human beings when inhaled. There were suggestions that such bacteriological agents were being produced at Sverdlovsk and that the Soviet Union may be violating a 1975 agreement banning development, production or stockpiling of toxins.

The account said that "spores of anthrax were found in probes taken there by biologists." It went on, "For 13 centuries there spores were sleeping in the depths of the soil."

Western specialists here said anthrax has been a long-term problem

Secret Recordings by Roosevelt in 1940 Reveal Thoughts on War and Politics

By Leslie Bennetts
New York Times Service

NEW YORK — President Franklin D. Roosevelt used a secret device to record news conferences in the Oval Office of the White House for 11 weeks during his 1940 re-election campaign, according to a history professor who has spent the last three years studying the recordings. Some private conversations were also recorded, apparently inadvertently.

The recordings, which have been stored at the Franklin D. Roosevelt Library at Hyde Park, N.Y., for more than 30 years, amount to about eight hours of material, most of it from the 14 press conferences held in the Oval Office between Aug. 23 and Nov. 8, 1940.

In the recordings of private conversations, Roosevelt commented on a wide range of subjects. He cited the American public's readiness "to pull the trigger if the Japs do anything" and complained on another occasion about the "fascist" propaganda techniques of Wendell L. Willkie, a Republican contender for the presidency.

He referred to an extramarital affair that Willkie was reportedly having and contended that Jimmy Walker, while mayor of New York, paid his former wife \$10,000 a week, a weekend with Walker in Albany to maintain appearances at a time when the mayor was apparently having a public affair with, as Roosevelt put it, an "extremely at-



Roosevelt addressing the nation in one of his fireside chats.

tactive little tart" in New York City.

The recordings, which were made on film sound track — although no film was shot — were uncovered in 1978 by R.J.C. Butow, a professor of history and international studies at the University of Washington. Tape recordings did not come into use in the United States until after World War II.

Mr. Butow has published his ac-

David Samoff, head of the Radio Corporation of America (now RCA Corp.). The device was installed in the summer of 1940 in the basement directly below the Oval Office.

A microphone was hidden in the president's desk lamp. The system was turned on and off for news conferences by Henry Kamm, the president's stenographer. A ground rule of the news conference was that Roosevelt could not be quoted directly.

Unguarded Moments

The purpose of the recording device "was to protect FDR from being misquoted during the 1940 campaign," said Arthur Schlesinger Jr., the historian, who wrote an introduction to Mr. Butow's article and appeared with him at a news conference Wednesday.

"Once the campaign was over," Mr. Schlesinger went on, "there was no reason to continue it. Why the rest of the conversations were recorded is a mystery." While the recordings do not seem to contain "any great historical revelations," in Mr. Schlesinger's view, they do provide glimpses of Roosevelt's attitudes and personality in unguarded moments.

On Oct. 8, 1940, for example, the president was discussing with unidentified associates a telegram to Roy Howard of the Scripps-Howard newspaper chain "from this chief of the Japanese press association" in which the press offi-

cial "said the damndest thing that ever happened," according to the president.

"It may stir up bad feeling in this country," Roosevelt said, "and this country is ready to pull the trigger if the Japs do anything. I mean we won't stand any nonsense — public opinion won't, in this country — from the Japs if they do some fool thing. Now, this fellow wires to Roy and says there will be no war with the United States — I'm quoting from memory — on one condition, and one condition only. And that is that the United States will recognize the new era in — not the Far East but the East, meaning the whole of the East."

In an Oct. 4 conversation with House Speaker Sam Rayburn of Texas and Rep. John W. McCormack, Democrat of Massachusetts, Roosevelt talked about a statement made by the Japanese premier that Japan "would regard it as an act of war if we were to give aid and comfort to any of the enemies of Japan."

The president said that if Hitler and Mussolini sent him an ultimatum of that sort, he would reply this way: "I'll say: 'I'm terribly sorry. We don't want any war with you. We have contracts, and under our neutrality laws any belligerent has a right to come and buy things in this country and take 'em away.' They'll thereupon say: 'Well, if after such and such a date you are continuing to ship munitions to England — and planes — we will regard you as a belligerent.'"

In the same conversation, the president also aired his views on his Republican challenger, Willkie.

"Of course," Roosevelt said,

"the trouble with Willkie, as you know, his whole campaign — the reason he's losing — is that he will say anything to please the individual or the audience that he happens to talk to. It makes no difference what he's promised. JPM will come in and say, 'Now, Mr. Willkie, please, will you, if elected, do something and so?' 'Quite so!' Then somebody else comes in, and he says, 'Of course I won't.' Mr. Butow speculated that JPM referred to J.P. Morgan, the financier.

At another point, Roosevelt described a conversation with "old Sam Rosenman," a presidential adviser, in which Rosenman "got off a very searching remark."

Rosenman, the president recollects, said, "that Willkie is using the tactics of Hitler."

Roosevelt continued: "Fascism. Hitler's fascism.

"Now you'd be amazed at how this story about the gal is spreading around the country. Awful nice gal, writes for the magazine and so forth and so on, a book reviewer. But nevertheless there is the fact. And one good way of bringing it out is by calling attention to the parallel in conversation."

"Jimmy Walker, once upon a time, was living openly with this gal all over New York, including the house across the street from me. She was an extremely attractive little tart. Jimmy and his wife had separated — for all intents and purposes they had separated. And it came to trial."

The president was referring to the hearings on Walker's proposed removal from office in 1932, when Roosevelt was governor of New York. The president continued:

"Jimmy goes and hires his former wife for \$10,000 to come up to Albany on a Saturday — Jimmy was a good Catholic, and he hadn't been to church in five whole years — and he paid his wife \$10,000 to go up there, to Albany, on a Friday afternoon after my trial had finished for the week — we were to go on Monday. Jimmy had never spent a Sunday in Albany in his life, but Mrs. Walker comes up to Albany, lives with him ostensibly in the same suite in the hotel, and on Sunday the two of them go to Mass at the Albany Cathedral together. Price? \$10,000."

According to Mr. Butow, the recording device remained in the White House throughout the remainder of the Roosevelt administration but was apparently not used after Roosevelt was re-elected in 1940.



Harold Rossfields Smith

U.S. Boxing Promoter Convicted Of \$21.3-Million Embezzlement

From Agency Dispatches

LOS ANGELES — Harold Rossfields Smith, a boxing promoter who spent millions of dollars on fight purses, and a second defendant have been convicted of embezzeling \$21.3 million in one of the biggest bank fraud schemes in U.S. history.

Mr. Smith, 38, who was also known as Ross E. Fields, was found guilty after a seven-week trial on 29 counts of embezzlement, conspiracy and interstate transportation of property taken by fraud. He could be sentenced to up to 200 years in prison. His co-defendant, Sammie Marshall, 36, a former bank employee, was found guilty on three counts and could be sentenced to up to 15 years in jail.

The U.S. District Court jury of eight men and four women announced its verdict after eight days of deliberation.

Mr. Smith had paid Muhammad Ali, the former world heavyweight champion, a fee for the use of his name in Mr. Smith's promotional venture, which was called Muhammad Ali Professional Sports Inc., or MAPS, but Mr. Ali was not involved in the company's operations.

After Mr. Smith's arrest last spring, Mr. Ali dissociated himself from the promoter, but he was in the courtroom on one of the final days of the trial and told reporters that he supported Mr. Smith.

He Maintains Innocence

Mr. Smith told reporters after leaving the courtroom, "Whatever happens to me, I'm a man, and I'm willing to take it." Asked if he still maintained that he was not guilty, he replied, "Absolutely." His attorney, Howard Moore Jr., said no decision had been made on an appeal. Mr. Smith had asserted that he obtained money from the Wells Fargo Bank through a valid line of credit. The bank denied that such a credit line existed.

Fictitious bank entries were used to make it appear that funds

credited to Mr. Smith were transferred from another bank branch, the indictment alleged.

Mr. Smith did not testify at his trial.

Another Investigation

LOS ANGELES (LAT) — The Los Angeles businessman who promoted Muhammad Ali's comeback fight Dec. 11 in Nassau is a convicted felon and the target of an FBI bank fraud investigation in Atlanta, the Los Angeles Times has learned.

Judge Consuelo Marshall scheduled sentencing for March 9 and denied a request by Dean B. Allison, an assistant U.S. attorney, to revoke Mr. Smith's \$250,000 bail. Mr. Allison said later that he believed Mr. Smith might attempt to flee before sentencing.

Mr. Allison said that he did not believe any of the missing money would be recovered, adding that an investigation by the government had indicated that Mr. Smith and Muhammad Ali Professional Sports had spent more than \$27 million, including revenues from fight promotions, from the bank discovered the embezzlement.

Key Witness

The key witness at the trial was L. Ben Lewis, a former officer of a Wells Fargo branch in Beverly Hills who was once a close friend of Mr. Smith. He testified that at Mr. Smith's direction he had manipulated an inter-bank accounting system that monitored the flow of funds between Wells Fargo branches and that the money had been used to finance a plan to gain a monopoly on championship fight promotions in the United States.

The indictment alleged that Mr. Smith arranged with Mr. Marshall and Mr. Lewis to "divert and secrete" certain checks that Mr. Smith cashed at a bank branch so they would not be charged against his account.

Fictitious bank entries were used to make it appear that funds

meant to be paid to him were transferred from another bank branch, the indictment alleged.

Mr. Smith did not testify at his trial.

Another Investigation

LOS ANGELES (LAT) — The Los Angeles businessman who promoted Muhammad Ali's comeback fight Dec. 11 in Nassau is a convicted felon and the target of an FBI bank fraud investigation in Atlanta, the Los Angeles Times has learned.

Judge Consuelo Marshall scheduled sentencing for March 9 and denied a request by Dean B. Allison, an assistant U.S. attorney, to revoke Mr. Smith's \$250,000 bail. Mr. Allison said later that he believed Mr. Smith might attempt to flee before sentencing.

Mr. Allison said that he did not believe any of the missing money would be recovered, adding that an investigation by the government had indicated that Mr. Smith and Muhammad Ali Professional Sports had spent more than \$27 million, including revenues from fight promotions, from the bank discovered the embezzlement.

Gandhi Offers an Economic Plan, Cites Need for More Arms Funds

The Associated Press

NEW DELHI — Prime Minister Indira Gandhi presented a 20-point program Thursday night to bring prosperity to India's masses, but she said greater military expenditures would be needed to compete with Pakistan.

Despite support for the ERA from the governors of both states, the Oklahoma Senate refused to ratify the amendment Wednesday, and Democratic leaders in Illinois could not find enough support for a rules change critical to passage.

Supporters of ERA, which would bar discrimination on the basis of sex, said they would try again in both legislatures.

Eleanor Smeal, national president of the National Organization for Women, said in Oklahoma City that failure of the measure in Oklahoma would not end its chances for approval.

The setbacks were the first major tests of the amendment since U.S. District Judge Marion Callister in Idaho ruled in December that Congress lacked authority to extend the original ratification deadline of 1979, and that five states that rescinded ERA approval acted constitutionally.

The ERA has been approved by 35 states — including the five that rescinded. The measure would have to be approved by 38 states by June 30 for it to become part of the U.S. Constitution.

ERA supporters want the requirement that three-fifths majority is needed to ratify proposed constitutional amendments changed to a simple majority.

After the Oklahoma Senate voted 27-21 against the measure, Senate President Pro Tempore Marvin York, a Democrat, said there still was a chance the ERA "could be passed."

His motion for reconsideration "must be voted on by Tuesday, if it passes, the ERA could again be brought to the Senate."

Reviewing the last two years, Mrs. Gandhi said that when her Congress-I Party returned to power in January, 1980, India's economy "was in utter shambles." Inflation was dangerously high, the production system was threatened and the stability of the nation was in peril, she said.

In the last nine months, Mrs. Gandhi said, there have been marked gains in the production of electricity, coal, cement, fertilizer and oil, and in railroad freight movement.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Official Convicted in Bombay

NEW DELHI (NYT) — Prime Minister Indira Gandhi has accepted the resignation of A.R. An-

upay, a close political supporter in Bombay, after he was found guilty of extortion.

Opponents of Mr. Anupay, the chief minister of Maharashtra state, danced in the streets in Bombay on Tuesday night to celebrate his resignation.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

Mr. Anupay, a lawyer who became chief minister in 1980 with the backing of Mrs. Gandhi, was convicted of collecting millions of dollars from private businesses and government-run companies in the state for five private trusts that he controlled.

In a 70-page judgment, Justice B. L. Lohia of the Bombay High Court said that a connection between the donations and government allocations of raw materials had been established.

China Says Taiwan Deal 'Menaces' Ties to U.S., But New Talks Are Seen

The Associated Press
PEKING — President Reagan's decision to sell additional military planes to Taiwan "is menacing the development of Sino-U.S. relations," China said Thursday in reaction to Washington's decision to continue the sales, but the official press agency also said that talks between the two countries would continue.

The press agency strongly rejected any suggestion that Washington's decision against selling a more sophisticated fighter to Taiwan amounted to a concession to Peking. But the agency, reporting on a visit by a high-ranking U.S. official, said talks on international issues would continue in both Washington and Peking.

The diplomat, John H. Holdridge, ended a visit here Wednesday, and nothing was said publicly about retaliation for Washington's announcement that it anticipated further steps "to sell Taiwan items necessary for self-defense." A Western analyst said the decision against selling Taiwan a new fighter appeared to have forestalled a downgrading of relations with Washington.

In Washington, the State Department said Wednesday that Mr. Holdridge's mission was "useful and a success." The Washington Post reported, suggesting that continuing disagreement on the Taiwan issue was not likely to bring relations to a crisis point at this time.

State Department officials said the "positive and productive" discussions begun by Mr. Holdridge would continue in diplomatic channels in both Peking and Washington, indicating a continuing effort to reach an accommodation on the issue.

A permanent solution seems unlikely since China objects as a matter of principle to the arming of Taiwan and the United States is committed by both foreign policy and law to meeting Taiwan's defense needs on a continuing basis.

Rigorous Test
The official press agency in Peking said Washington intended to continue selling old-model jet fighters to the Nationalists on Taiwan. "The problem has reached a point calling for an immediate solution and the Chinese-American relationship is facing a rigorous test," the press agency said.

In 1976, when
you could buy on
the Hollywood
in Hollywood from
the \$50's and \$60's,
you wanted
Don't do it again.
Go directly to
The Hallmark
And get a truly
luxurious water front
condominium from
just \$52,000.

THE HALLMARK

300 S. Costa Mesa, Hollywood, California 90048 • (213) 462-3253

Utah

Outstanding modern 194,300 sq.ft.
one-story partially air-conditioned
building on 50 plus acres

BINSWANGER
1845 Market St., Philadelphia, PA 19103 • 215-448-4000
New York, NY • Chicago, IL • Atlanta, GA • Charlotte, NC
Raleigh, NC • Dallas, TX • Orlando, FL • Detroit, MI
London • Brussels • Rotterdam • Amsterdam • Paris

COMMERCIAL & INDUSTRIAL REAL ESTATE

REGIE NAFLYAN SA

have now NEW PROJECTS

for sale to foreigners under construction or ready to move in.
Mountains: Château-d'Oex - Gstaad, Crans-Montana,
Villars: Jura: Ste-Croix; Lake: Montreux, Chermex,
St-Sulpice (only 1 flat).
So call Mr. Hess and we will be happy to show you around.

tel: (021) 22 18 52 Metropole II 1000 Lausanne 9 Suisse
tel: 24 226 edeco ch

NO INTEREST EVER!

Developer offers 5 year
Purchase Money Mortgage
with NO INTEREST*
35% Down \$1,000. Monthly
Amortization.
All golf course view apartments.
Jacuzzi whirlpool tubs. Deluxe
GE Appliances, etc.
Write or call for more information
Camino Real Village
A Private Condominium Community
5500 Camino Del Sol, San Diego, CA 92121
Phone: (619) 269-4747
Offer can be withdrawn at any time without notice

DALLAS, TX AREA

2-PRESTIGIOUS NEW
BUSINESS PARKS

Being Developed by
SHEAR COMPANY

In North Dallas Area

IMPROVED SITES or entire projects

(234 & 54 Acres) Complete with Streets,
Utilities. Available for immediate sale.

SHELL OIL COMPANY
Land Investments Dept.
P.O. Box 2005, Houston, Texas 77001
(713) 241-4312

In China, Graduates Anxiously Await Job Assignments

Rigidity of Labor System Condemns Some to a Lowly Life in the Hinterlands

By Michael Parks
Los Angeles Times Service

PEKING — To Xiao Li, it came like a sentence of death. "Teacher Chi would like to see you to discuss work assignments," she was told.

Chi, the political adviser for the graduating class, was very solicitous and invited Li to sit and have some tea and cookies. "Then we began talking about patriotism and serving the motherland," Li recalled, "and I knew the rumor was true — I would be sent to a border area to work."

For Li, 23, a history student at one of Peking's major universities, this amounts to virtual exile in undeveloped regions where the climate is hard, supplies are short and the cultural level is low. She would probably be assigned to work as a junior official in a local government office.

"I would like to continue here for another two or three years as a graduate student, but the institute has good facilities for both study and applied work," he said. "Besides, it is a very good unit, and an opening there may not come up again."

student from Qinghua University here. "For us, national service lasts an entire lifetime, and that means the first assignment is incredibly important. A good assignment sets you up for life and a bad one can take years to undo, if it ever can be."

As an electrical engineer graduating near the top of his class from China's most prestigious science and engineering school, he has few worries about his future — in fact, he is pondering a choice between graduate studies and going to work immediately in a defense industry research institute.

"I would like to continue here for another two or three years as a graduate student, but the institute has good facilities for both study and applied work," he said. "Besides, it is a very good unit, and an opening there may not come up again."

Unit Is Important

A "good unit" is very important, because the "working unit" — perhaps a steel plant with as many as 20,000 employees or a small collective enterprise with only 10, is responsible for the welfare of its workers — their housing, medical care, food supplies, children's educations and recreation facilities, virtually everything.

Most of the graduating students hope to be assigned to big, well-financed units, such as the central government ministries, large industrial enterprises, defense plants, top universities and research institutes that can assure them a good standard of living as well as some prospects of promotion.

"In the United States, seniors typically look at the challenge a job offers and, of course, the pay, and they usually don't mind moving across the country for a good job," said a Chinese-American economist who has been teaching in Peking and Shanghai. "Students here are quite different, and the last thing they seem to want is an adventure of any sort."

"Where an American student would look at a prospective employer in terms of career opportunities, a Chinese student checks the quality of the cooking at the unit's canteens, whether it has its own housing, how far away from his parents he will be. Not one of my students has said he wants a challenging job."

Students here acknowledge that they are conservative, attributing that equally to traditional Chinese attitudes

toward family and work and to the rigidity of Socialism's labor system.

"I would go to an undeveloped border area for three, even five years, but only if I knew I could return to the capital," said a Russian-language student, who is hoping for a job as a technical translator although his specialty also makes him a prime candidate for assignment to a military unit along the border with the Soviet Union.

The assignment process began last summer when students filled out forms listing personal details, desired assignments and special family conditions that should be taken into account, such as being an only child whose elderly parents may need help. Those were collected by the schools and local labor bureaus and then matched against requests submitted by various working units for new staff.

The requests for new graduates totaled nearly 2 million, but China last year had only 190,000 college graduates and 100,000 graduates from technical institutes. As a result, the State Planning Commission set priorities for the assignment of graduates in line with overall development goals.

The best students were to go into graduate work and become teachers. Light industry, transport, energy and other key economic sectors were to get priority in the assignment of scientists, technicians and economists. "New and structurally weak organizations" were to be strengthened, the planning commission said, ordering that some graduates be sent to collective enterprises, rather than state industries, and that other small units be apportioned a fair share of graduates.

Anticipating widespread student reluctance to accept such assignments, the government began a campaign six months ago to remind the graduates that they had been educated at state expense and had opportunities very few young Chinese have. Only 1 percent or 2 percent of the population can go to college and polytechnics.

Those refusing their assignments, gambling that the shortage of trained personnel will bring them something better later, will be barred from state employment for five years and then will be treated as ordinary job-seekers, authorities have recently warned.

Only a few students now expect good job assignments and most are worried about how bad they might be.

Manila Bars Accounts of Kidnapping

Foreign Journals Seized Over Manotoc Reports

By Pamela G. Hollie
New York Times Service

SINGAPORE — The Philippine government blocked the distribution this week of foreign newspapers and magazines that carried accounts of the disappearance of a divorced athlete who secretly married a daughter of President Ferdinand E. Marcos on Dec. 4.

The publications, among them *Time*, *Newsweek*, the *International Herald Tribune*, *Asia Week* and the *Far Eastern Economic Review*, all reported that Tommy Manotoc, 32, an amateur golfer and professional basketball coach, was last seen Dec. 29 driving away from a Manila restaurant after dining there with Imee Marcos, the president's daughter. The publications were stopped at the Manila airport.

The disappearance has been an embarrassment to Mr. Marcos and his wife, Imelda. They opposed the relationship between their daughter and Mr. Manotoc primarily because under Philippine law, which does not recognize divorce, he is still married to his first wife, Aurora Pijuan, a former beauty queen.

Mr. Manotoc obtained a divorce in the Dominican Republic on Oct. 27 and married Miss Marcos, who attended Princeton and is now a law student at the University of the Philippines, in a civil ceremony Dec. 4 in Arlington, Va.

The couple returned to the Philippines in mid-December at the request of the Marcos family. Miss Marcos went home to her family, and Mr. Manotoc returned to his. Mr. Manotoc is officially listed as kidnapped, and President Marcos suggested that members of the Communist New People's Army were to blame.

The foreign press, which reported the disappearance a day before the local press did, met with immediate criticism from the Philippine government for its coverage of the discrepancies in the statements of Philippine officials, who appeared to know about the first ransom note before it was found, and for focusing on the growing antagonism between the Marcos and Manotoc families. Mr. Marcos accused the foreign press of reporting the Manotoc allegation "without the slightest effort at verification."

Diplomats Say Moscow Fell Short on Food Aid Promise to Cambodia

By William Branigin
Washington Post Service

Vietnamese occupation troops deployed in the country.

The Soviet role in international relief efforts in Cambodia is expected to come under scrutiny next month when Western aid donors meet in New York to consider new aid proposals for 1982.

That decision will depend largely on a report by the United Nations World Food Program. According to UN officials here, a World Food Program team is assembling in Phnom Penh to carry out a two-week assessment of specific food needs, aid distribution and the extent of the food production shortfall.

The question of aid to Cambodia is a complicated one because the Communist government in Phnom Penh, installed three years ago by invading Vietnamese troops, is not recognized by any

UN assessments of the situation in the interior before deciding on additional aid at their next meeting scheduled for Feb. 4.

That decision will depend largely on a report by the United Nations World Food Program. According to UN officials here, a World Food Program team is assembling in Phnom Penh to carry out a two-week assessment of specific food needs, aid distribution and the extent of the food production shortfall.

The question of aid to Cambodia is a complicated one because the Communist government in Phnom Penh, installed three years ago by invading Vietnamese troops, is not recognized by any

Western nation and does not control some parts of the country.

Southeast Asia's non-Communist nations and Western countries have insisted on separate aid for the border area to feed Cambodian followers of resistance groups battling the Vietnamese occupation forces.

If the Western countries approve new relief for the Cambodian interior, administered by the Phnom Penh government, UN officials here said, the donors are expected to insist on major changes in the aid program. Instead of an approach to spread the aid around as broadly and quickly as possible, any new program will target specific needs and require more

stringent monitoring of how the supplies are actually used.

"Initially we found the whole place in a hopeless situation, so it made sense to pour it in," a senior official said of the original UN relief program to counter Cambodia's 1979 famine.

Accordingly, proposals have been drawn up to channel food aid to malnourished children, orphans, widows, lactating mothers and other needy groups in six provinces especially hard hit by crop failures caused by last year's erratic monsoon. The proposals also provide for strict procedures to ensure that deliveries reach their destinations without any diversion for military uses.

The United States has been in the forefront of countries insisting on such changes and has expressed willingness to support new aid for the Cambodian interior if they are implemented, diplomats said.

However, they said, members of the European Economic Community have indicated skepticism about the need for continued relief aid.

A senior UN official here expressed optimism that the donors would "come across for purely humanitarian reasons" and because a failure to do so might cause more Cambodians to drift toward the Western border and increase pressure on Thailand.

INTERNATIONAL REAL ESTATE

FEDERAL REPUBLIC OF GERMANY

INVESTMENT/PROFIT/OPPORTUNITY

in large city on the Northern border of the RUHRGEBIRG, remarkably situated in city center directly on pedestrian zone but with own truck passway. For sale without brokerage.

5 story building complex of nearly 4,000 sq.m. living, sales or office space in steel-concrete-skeleton-structure. Negotiation price DM 3.6 million.

Please contact under "FD 2":

Dr. Weinsziehr KG
* Werbeagentur * Berliner Allee 23
4000 Düsseldorf 1

VERMONT - USA

IN THE HEART OF THE GREEN MOUNTAINS

This exclusive executive chalet with a separate guest house is situated near all year round recreation facilities. The main house has a multitude of features, such as built-in furniture, 4 fireplaces, separate dining room and library. The self-contained guest house has 2 bedrooms, living room, etc. Fully equipped. Asking price: \$225,000 (U.S.) Reply to:

INTERMEDIA 2449 Dundas Drive, Suite 151, Mississauga, L5L 1P1
Tel: 416-625-3176

FOR SALE

30 miles from Zurich (25 miles from airport) in unique situation and beautiful landscape directly at the river Rhine

MAGNIFICENT MANSION.

This residential estate serves at present as

EXCLUSIVE HOTEL with very well known restaurant de tout premier rang.

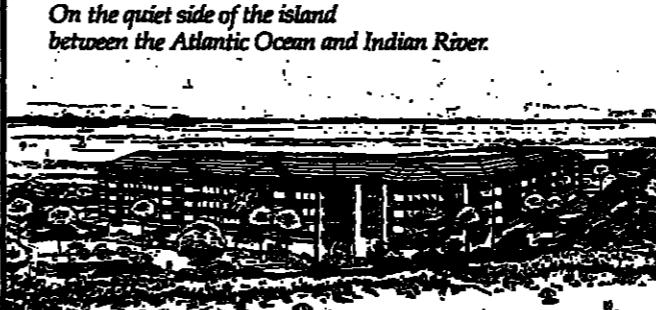
Also transformed for private use, it would make an unmatched property — in both cases a genuine asset with secure value increase.

For information please write to
Cipher R-34, AVAP agency,
CH-8201 Schaffhausen-Switzerland.

Water, water, everywhere.

Santa Lucea

On the quiet side of the island between the Atlantic Ocean and Indian River.



Two Timeless Views and Unique Tropical Terraces

Overlooking Ocean and River are unusually large, screened-in tropical terraces. Suites are spacious, luxurious, secure and exclusive — yet near everything.

Renting your waterfront paradise now — from \$285,000. Select from 2 and 3 bedroom Suites, all with stunning water views.

Santa Lucea

The unique island condominium.

151 N.E. MacArthur Boulevard • Stuart, Fla. 34164 (U.S.A.)
0031 225-0003.

Located between Indian River Plantation and Seafish Point.

Prices subject to change without notice. Valid in states where prohibited by law.

IF YOU ARE IMPORTANT
IN THE UNITED STATES,
ONE OF YOUR ADDRESSES
IS NOT TOO FAR FROM
THE WHITE HOUSE.

PROSPECT HOUSE.

Two miles from The White House.

Expense-Account Tax? Oh-la-la, *Les Howls!*

By Edward Cody
Washington Post Service

PARIS — One of France's most glorious traditions, the expense-account lunch in fine restaurants, has suffered a fiscal blow from the Socialist government, and the princes of haute cuisine are groaning in their saucers.

The cause of their stewing is a 30-percent tax on entertainment and other business expenses that Budget Minister Laurent Fabius says will bring almost a billion dollars a year into the state treasury to help pay for social welfare programs enacted under President François Mitterrand.

Some of France's top chefs complain that the measure has led businesses to cut back drastically on the amount of money their companies authorize for taking clients to lunch. As a result, they say, some of the classiest tables in a nation famous for fine eating are sitting empty from 1 p.m. to 2 p.m.

"It is catastrophic," said Gilbert Lejeune of Ledoyen, one of Paris' best known eating temples. "It is the economic ruin of the country."

Besides its stiff rate, the tax has rumbled the tempers of Parisian restaurant owners because, in their eyes, it seems directed at one of the pillars of French renown — unparalleled food.

"The very future of restaurants could be made questionable by the tax on business expenses," said Bernard Fournier, owner of Le Petit Colombe, in a letter to members of the Parisian Syndicate of Professional Restaurants. "It is a direct attack on the hospitality and prestige of our country's gastronomy."

Another restaurant owner said the new tax hits the entire range of services surrounding the care and feeding of prospective clients visiting Paris — from expensive restaurants to luxury hotels to entertainment.

Estimates of Stomp Vary

Estimated vary on how much business the new tax actually is costing fancy restaurants. Lejeune said his lunch business is off by half at Ledoyen, down to about 140 servings a day, while evening service has slumped only slightly. Fournier reported a similar drop.

Fournier's group surveyed 100 top Paris restaurants and found business off by 12 percent, with the noontime lunch business hardest hit.

But Jean-Claude Vrinat of Taittevent, another of Paris' most prestigious restaurants, said the new tax has changed nothing so far in his business. Without smiling, he added:

"You know, I don't think great restaurants or little cafés will be hit. But medium restaur-

ants that set very high prices without necessarily taking quality into account — and they are numerous — will suffer the heaviest consequences. The number of these restaurants is frightening."

In any case it is fear of what will happen during 1982 that has the restaurateurs most worried. On coming to power last June, the Socialist government immediately imposed a 10 percent tax on business expenses, causing a first chill. Now that the 1982 budget is in effect with the permanent 30 percent tax, they expect anticipate more cutbacks by corporate accountants.

Fournier said 60 restaurant owners in his syndicate made an informal survey of their business clients and found 90 percent planned to trim expense accounts this year by approximately as much as the tax.

"Do they want the French to become fast-food gastronomes?" he snorted.

Government officials argue that the tax is necessary not only for extra revenues, but also because under previous legislation French businesses could deduct expense account expenditures from their tax bills. This meant, they contend, that the government was subsidizing good lunches for businesses while facing budget deficits for health insurance and unemployment benefits.

Lady Northhampton's Boots Kick Up Small Fuss

By Steven Rattner
New York Times Service

UPPER TYSOE, England — The United States may have Gloria Vanderbilt and her designer jeans but Britain now has the Marchioness of Northhampton and her boot. Five months ago, the 37-year-old aristocrat started Lady Northhampton Boot Co., based on a firm conviction that all of England needed the full-length rubber and canvas boot to which she had become partial.

It is a version of the well-known Wellington boot and was long known to horsemen as the Newmarket boot. Its advantage, said Lady Northhampton, who wore a pair of Newmarkets for several years, is that it has the knockout qualities of rubber boots without making a wearer's leg sweaty. Made in four colors, it is cheap, just £14.95 (about \$28) and comes complete with a small tag that says, "Styled by Lady Northhampton."

"They're ideal for saving my good boots," said Lady Northhampton over tea in her lemon-yellow sitting room. "A lot of people are interested in them as a fashion boot, particularly if you live in London and like to go to the country to go walking." Outside the modest sitting room stretched her house, known as Compton Wyndham, built in stages beginning in 1205 and later paneled with yards of Tudor linen-fold carvings.

In partnership with a more experienced shoe company, Lady

Northhampton has worked diligently to make her boot a success, meeting regularly with her partner and their three salesmen and appearing in many of the new company's magazine advertisements. Now, some 8,500 sales later, the boot will soon appear in an U.S. retail store.

Korean Manufacturers

All this — and particularly the boot's Korean manufacturer — has created something of a stir in England. For one thing, Lady Northhampton's activities defy the traditions of her class. Marchionesses who rank just below dukes and above earls in Britain's social hierarchy — and marchionesses do not generally engage in trade, much less affix their names to boots.

Indeed, aside from the boot venture, the Northhamptons themselves typify the more customary activities of the British aristocracy. Partial to tweeds, twice-married (the family motto is, "I only look for one") and educated through boarding school, Lord Northhampton, 35, manages his estates, which total 14,000 acres and include the bulking 100-room Castle Ashby, formerly the family residence and now open to the public.

His wife, blonde wife, who studied to be a secretary only so she could type her own letters, busied herself with managing 12 servants, 40 workmen engaged in renovations, and a crowded social schedule, also serving as joint master of the Warwickshire hunt and raising her year-old daughter, Emily.

gate & Irwell Rubber Co. division, which made the boot, was sold twice in the 1960s, ending in 1978 with the sale of BTR Industries Ltd., which halted production 10 years ago, citing insufficient profits.

The Marquess himself, who seems a bit bemused about his wife's new adventure, also seems fairly embarrassed for his family. "I think my ancestors wouldn't like it," he said. "But there's not much any of them can do about it. Primum genitrix, you know."

Northhampton, about 40 miles northeast of this tiny village, is the center of the British shoe industry, and the unions feel the boot should be made in England or have a different name.

"The name Northhampton is known throughout the world as being the center of Britain's footwear industry," said Ronald Hart, Northhampton area secretary of the National Union of Footwear, Leather and Allied Trades. "To see the name on a foreign-made product leaves a bad taste in the mouth, especially with the present state of the industry." In recent years, more than 7,000 shoe workers in the area have been put on short hours and 2,000 have lost their jobs.

Story of Decline

The story of the Lady Northhampton Boot is itself a story of the English economy. The same boot was made for years under a variety of other names, perhaps the best known of which was Newmarket. But the Green-

gate & Irwell Rubber Co. division, which made the boot, was sold twice in the 1960s, ending in 1978 with the sale of BTR Industries Ltd., which halted production 10 years ago, citing insufficient profits.

The Marquess himself, who seems a bit bemused about his wife's new adventure, also seems fairly embarrassed for his family. "I think my ancestors wouldn't like it," he said. "But there's not much any of them can do about it. Primum genitrix, you know."

Northhampton, about 40 miles northeast of this tiny village, is the center of the British shoe industry, and the unions feel the boot should be made in England or have a different name.

"The name Northhampton is known throughout the world as being the center of Britain's footwear industry," said Ronald Hart, Northhampton area secretary of the National Union of Footwear, Leather and Allied Trades. "To see the name on a foreign-made product leaves a bad taste in the mouth, especially with the present state of the industry." In recent years, more than 7,000 shoe workers in the area have been put on short hours and 2,000 have lost their jobs.

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

ADVERTISEMENT

ADVERTISEMENT

The International Herald Tribune invites you to — MEET THE NEW — FRENCH ADMINISTRATION

February 8 and 9, 1982 in Paris

The election of François Mitterrand and the subsequent Socialist victory in the French parliamentary elections clearly mark an important turning point for the French economy.

With the cooperation of the new Socialist government, the International Herald Tribune has organized a conference designed to help senior executives of foreign companies judge how the new administration's policies will affect their company's activities and investment in France. Prime Minister Pierre Mauroy will open this meeting on "New French Economic Policies," to be held February 8 and 9 at the Intercontinental Hotel in Paris.

The program will include presentations by Jacques Delors, Finance Minister; Michel Jobert, Minister of Foreign Trade; Michel Rocard, Minister of Planning and Regional Development; Nicole Questiaux, Minister of Social Policy; Pierre Dreyfus, Minister of Industry; Jean Auroux, Minister of Labour; André Chenderiagor, Minister delegated to the Minister of Foreign Affairs, in charge of European Affairs; and Laurent Fabius, Minister delegated to the Finance Minister, in charge of the Budget, as well as Jacques Attali, Special Counsellor to the President; Bernard Attali, President of D.A.T.A.R., the French government's regional development agency; Christian Gouy, Chairman of the Economic and Finance Committee of the National Assembly, and Thierry de Montbrial, Director of the French Institute of Foreign Relations.

Additional insights on various aspects of doing business in France will be provided by André Bergeron, Secretary General of the "Force Ouvrière" trade union, by a panel of international bankers and by a panel of industrialists. The former will include Hervé de Carmoy, General Manager of the Midland Bank Ltd.; Jean Dellessus, Director of International Affairs, Crédit Lyonnais, and Edouard Veltin, Advisor to the Board of Executive Directors, Bayerische Vereinsbank. The industrialists' panel, to be chaired by David McGovern, President of the American Chamber of Commerce in France, will include: Rudolphe Boufface, Chairman of Ford France; Jean Gandois, Chairman of Rhône-Poulenc; Jean-Luc Lagardère, Chairman of Matra; Bernard Lathière, President of Airbus Industries, and Yves Ragouneau, President of Sony France.

Each presentation will be followed by a question and answer period, and simultaneous French-English translation will be provided at all times.

To register for this exceptional international conference, please complete and return the registration form below today.

CONFERENCE REGISTRATION FORM

Return to: International Herald Tribune Conference Office, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Or telephone: 747.1265. Telex: 612832.

Please enroll the following participant for the conference to be held February 8 and 9, 1982 in Paris. 15-1-82

Surname _____

First Name _____

Position _____

Company _____

Address _____

City/Country _____

Telephone _____ Telex _____

Participation fee: F.F. 5,500 per person (plus 17.6% VAT for registrations from France) or equivalent.

Conference documentation will include a copy of the 1982 edition of the French Company Handbook, the only English language guide to French companies.

Please invoice

Fees are payable in advance of the conference. Fees will be returned in full for any cancellation that is postmarked on or before January 22. After that date a cancellation fee of F.F. 1,000 will be incurred. Cancellations received by the organizers less than 5 days before the conference will be charged the full fee.

HOTEL REGISTRATION FORM

Return to: The Intercontinental Hotel
International Herald Tribune Conference
3 Rue de Castiglione
75040 Paris Cedex 01.
Telephone: 260.37.80. Telex: 220114.

A block of rooms has been reserved for participants at preferential rates on a first-come, first-served basis. Reservations must be received by January 25 on this coupon.

Single (F.F. 670 per night, tax and service included)

Double (F.F. 810 per night, tax and service included)

Surname _____

First Name _____

Position _____

Company _____

Address _____

City/Country _____

Telephone _____ Telex _____

Date of arrival: _____

Approximate hour: _____

Date of departure: _____

Enclosed please find a check for F.F. _____ or the equivalent for the first night's stay.

The Internationalization of the Dance

By Anna Kisselgoff
New York Times Service

NEW YORK — A look into the crystal ball suggests that 1981 in European dance may well be a substantial part of 1982 in the United States.

The overall trends are clear enough. One is, as the Swedish critic, Erik Naslund, lamented in Dance News, "that one sees the very same merchandise, whether watching ballet in Copenhagen, London, Berlin, Zurich, Vienna or Amsterdam." Not only are choreographers such as Glen Tetley, Hans van Manen and Jiri Kylian seemingly ubiquitous from Scandinavia to Italy, but they are often represented by the same ballerinas.

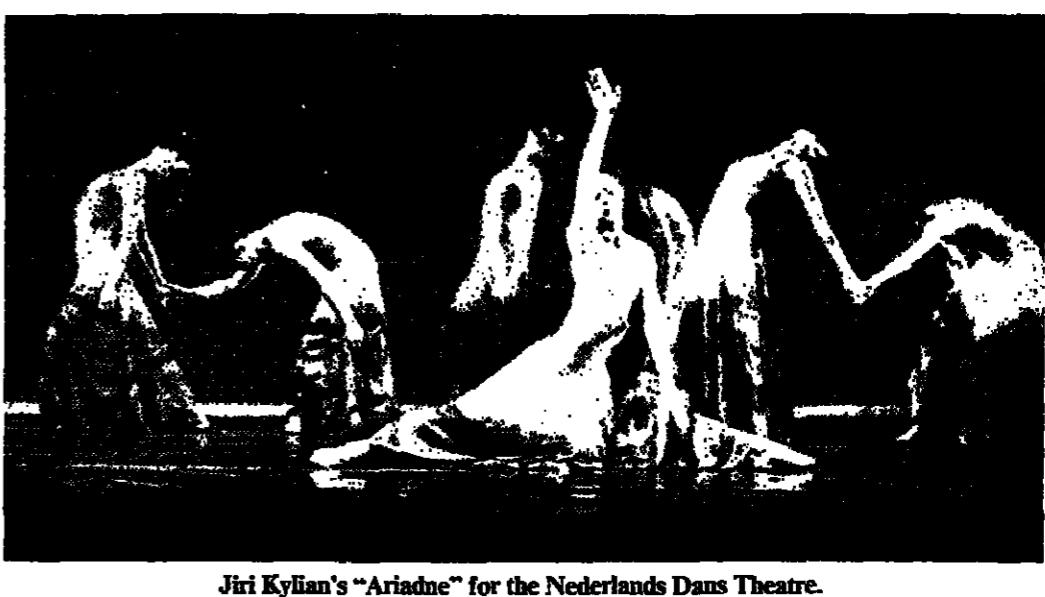
Two interesting currents are prevalent in Europe. One is the U.S. influence — which is manifest in the sudden popularity in France of post-modern U.S. choreographers, who now have legions of French disciples. Along with the occasional George Balanchine ballet included in most opera-house ballet repertoires, these works represent the pure-dance bias still dominant in the United States.

A contrasting, stronger current is the return to drama in a highly theatrical form, whether it is overtly or subliminally narrative. The most extreme example is the work of the German choreographer, Pina Bausch: Conventional dance movement no longer interests her as much as nonverbal action, she says. "Everybody who knew how to make it retired or died," said a company official.

So when Lady Northhampton and her partner began what became a nine-month search for someone to make them, they found no one in England willing or able. "Can you believe that it was impossible to find anybody in England who could manage this?" Lady Northhampton asked rhetorically. "Everyone we approached had an excuse. Either they could not get the right mold or the right machinery or it was too difficult to combine canvas with rubber."

"One does not recall the Duke of Wellington running into this sort of trouble over his boot," commented The Times of London. "But those were the days when Britain was still the workshop of the world."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."



Jiri Kylian's "Ariadne" for the Nederlands Dans Theatre.

Royal Ballet endangered by what she calls an Expressionist style favored by Kenneth MacMillan and the Royal's younger choreographers.

These fears seem misplaced, rooted as they are in the dubious assumption that MacMillan and the others are even capable of choreographing outside the classical framework. Pina Bausch: Conventional dance movement no longer interests her as much as nonverbal action, she says. "Everybody who knew how to make it retired or died," said a company official.

So when Lady Northhampton and her partner began what became a nine-month search for someone to make them, they found no one in England willing or able. "Can you believe that it was impossible to find anybody in England who could manage this?" Lady Northhampton asked rhetorically. "Everyone we approached had an excuse. Either they could not get the right mold or the right machinery or it was too difficult to combine canvas with rubber."

"One does not recall the Duke of Wellington running into this sort of trouble over his boot," commented The Times of London. "But those were the days when Britain was still the workshop of the world."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the difference were even two pounds we would do it here."

The marchioness plans continued promotion and a more stylish version. As for making it in England, the new businesswoman says she would be delighted for a company to come forward "and if the

On Chemical Warfare

The Kremlin's likely use of chemical and biological weapons in Southeast Asia and perhaps in Afghanistan poses questions that have not yet been generally recognized, much less answered. Why have the nations of the world responded so limply to the growing evidence that the U.S.S.R. has been flagrantly violating a treaty commitment for five years? Is it that the victims are not white citizens of industrialized nations, but brown and yellow inhabitants of poor countries? Why have developing nations refused to recognize the implications for their own security of the development of these cheap and easily accessible weapons of mass death?

For the United States and its NATO allies, there are additional, urgent questions. What does the probable violation of both bilateral and multilateral arms control agreements, including the one treaty — the 1972 Biological Weapons Convention — initiated as a unilateral disarmament step by the United States, say about the thinking in the Kremlin and the value it attaches to any type of arms control? What does it say about political will in the West that Washington has so far been unable to hold the Russians politically accountable, or even to generate much interest in the subject? Are there lessons in this and in the Sverdlovsk incident concerning the utility of sanctions in treaties with Moscow? At Sverdlovsk, what apparently was an outbreak of deadly anthrax may have indicated Soviet biological weapons work; the facts may never be known.

The United States has made some effort to publicize the evidence it has found of the likelihood of Soviet biological and chemicals weapons use. But it has done so largely at a level below what the seriousness of the issue warrants. And it has devoted far too few re-

sources to proving beyond doubt the accuracy of its allegations. What is called for is less inflammatory rhetoric, more diplomatic legwork, and presidential involvement in explaining the implications of these apparent violations and in enlisting other nations' support in the United Nations investigation of them. The administration has done too little to heed its own reminder that this is not a U.S.-Soviet issue, but a truly global one.

The one concrete step the United States has taken — breaking an 11-year moratorium with the decision to build a facility to produce binary chemical weapons — is the wrong one. Chemical weapons are tools of limited military utility against a prepared opponent like the Soviet Union. In a European war, their principal victims would be civilians. Because of this, a wartime decision to use them would be likely to disrupt, rather than to protect, NATO. The single argument in their favor is the dictum that the only way to deter a Soviet chemical attack is to be prepared to respond in kind. In fact, better weapons are available. The needed deterrent is the arming of Western troops with the protective gear that can largely negate a chemical attack. In this essential step, the United States and its allies have been remiss.

Perhaps the underlying explanation for the feeble worldwide response to Soviet use of chemical and biological weapons is a feeling that these are outmoded weapons, effective in World War I but rendered obsolete by the atomic bomb. The truth is just the opposite. These are weapons capable of dealing death and destruction on a scale comparable to nuclear weapons. The difference is that they are generally far cheaper, less technologically demanding and more accessible to terrorists.

THE WASHINGTON POST

Good for GM and U.S.

A union deal that reduces wage demands in exchange for price cuts should be good for General Motors — and for the country. The United Auto Workers and the auto companies collaborated for years in policies that drove up wages and prices together. Now that they recognize the damage done, in inflation and loss of sales to the Japanese, they at least deserve credit for innovative cooperation that points in the other direction.

Making his contract concessions conditional on pass-along savings to consumers should help Douglas Fraser, the union president, sell his members on the idea of tempering their demands. Given the pace of sales of U.S. cars, GM stockholders can hardly object. The company also contributed by offering reductions in executive salaries and opening its books to independent auditors.

Such self-help is long overdue. The auto industry — management and unions both — bears a good deal of responsibility for its present predicament. The average blue-collar worker, according to GM, now costs \$19.65 an hour, compared with costs of \$11 or \$12 an hour in Japan. The U.S. autoworker's average wage of \$11.53 compares with an average of \$7.27 for all domestic manufacturing.

Union leaders dispute these figures, but their willingness to enter such a deal

concedes the point that U.S. autoworkers may be pricing themselves out of an increasingly integrated world market. One dreaded alternative would have been for the U.S. auto companies to shift more of their manufacturing abroad.

To be sure, more than wages and prices account for the decline in domestic auto sales. The jump in oil prices and high interest rates also played an important part. And the union's concessions may not be nearly enough to counteract the trend. An administration official told a Senate committee Wednesday that only half the 214,000 idle autoworkers may ever go back to work in auto plants. Industry experts believe that price cuts of at least \$1,000 a car are needed to increase sales.

Still, self-help is better than taxing the economy as a whole. The more conventional response of the auto industry has been to look to Washington for import restrictions, weaker regulation and, finally, as with Chrysler, loan guarantees.

The nation's economic woes cry out for a nationwide incomes policy — a government-led effort to drive down both wages and prices. Since Washington rejects that approach, it is good to find an attempt at it in Detroit.

THE NEW YORK TIMES

Shame of Food Lines

There is nothing more humiliating and shameful to everyone involved than to see long lines of people — the very young, the very old, the down-and-out, the unemployed — waiting in bitter cold for a handout of food. Most Americans had, in recent decades, taken both pride and comfort in the fact that our nation had achieved a sufficient degree of prosperity and generosity to make such dismal displays of necessity a thing of the past. Now the lines have reappeared as the U.S. government begins to dispose of part of its enormous stocks of surplus cheese.

There is no decent way to run a food handout. Some things, of course, made the lines much worse than they had to be. No one expected people by the thousands to line up several hours before the distribution centers opened.

The federal government also added to the hassle and delay by insisting on full documentation of need — as if willingness to stand in freezing temperatures for several hours for a five-pound package of leftover cheese were not proof enough. But the doling

out of food is an essentially demeaning enterprise — for both givers and takers. The indignity and inefficiency of commodity handouts persuaded Congress a number of years ago to extend the food stamp program nationwide as a substitute. That program has done a great deal to reduce human misery, but it is useful to remember that, important as food stamp benefits are, they do not ensure even a minimally adequate diet for the very poor.

The administration has already cut back substantially on food stamps and apparently intends to cut back more. The government is also anxious to dispose of embarrassing stocks of surplus food. As a result, food lines may again become a fixture on the U.S. scene. This would be disgraceful testimony to two sorts of failure. One is the government's inability to stabilize agricultural markets without becoming locked into costly subsidies of unneeded produce. Another, larger failure is the willingness of a wealthy society to allow the direst need to persist in its midst.

THE WASHINGTON POST

Other Opinion

Global Clouds of Gloom

A glance at the political map of the world with its lingering clouds of economic gloom... leads us to perceive that the fate of humanity is hanging in the balance. Nothing is new. Almost all of the apples of discord and clash have been carried over from the previous year. Little turned for the better and

we may be heading for a gathering storm... If the Atlantic flank of the Western alliance does not hold fast, the powder keg of the Middle East may blow up any moment while adventurous war machines in the East eager for the fray are tempted to come into play.

— From the Korea Herald (Seoul).

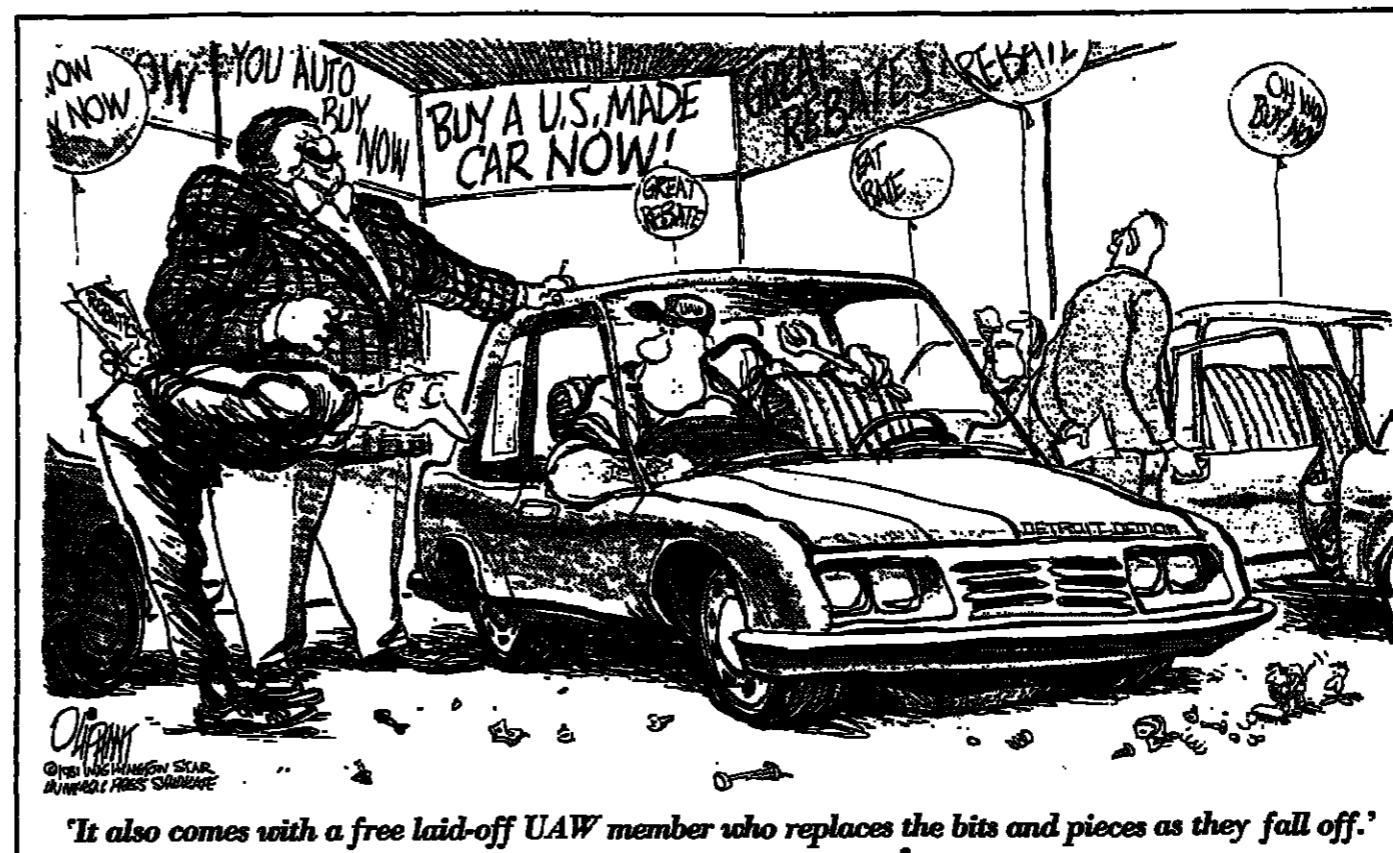
Jan. 15: From Our Page of 75 and 50 Years Ago

1907: Prince Tries Suicide

TEHRAN — Prince Shoa-es-Sultanz has tried to commit suicide by taking opium. He declares that he will take his life unless the Shah grants him the governorship of the province of Fars. The Shah has declared all the late Shah's firmans for the last four months void. This is hard on the younger brother above-named, who obtained many grants from the dying Shah, including an extra £12,000 yearly. The Shah received all the members of the Assembly yesterday. The President said the Assembly was now considering the budget. The Shah expressed satisfaction and said the finances were the nation's soul. He hoped the labor of the Assembly would be crowned with success.

1932: Hoover a Candidate

WASHINGTON — President Hoover, whose candidacy to succeed himself has long been regarded as a certainty, formally entered the presidential lists today when Walter Folger Brown, postmaster general, stated, without frills or rhetoric, that the President was a candidate for renomination. Coming from Postmaster-General Brown, member of the Cabinet to whom most political matters are left, the announcement can be regarded as official. Republican leaders unsatisfied with the Hoover candidacy recently tried to start rumors that the president did not care to risk another term because of the present depression and the burden of bringing the country back to economic stability.



BUSINESS NEWS BRIEFS

Kawasaki to Construct Large Robot Plant

Reuters

TOKYO — Kawasaki Heavy Industries said Thursday it will invest 17 billion yen (\$76 million) to build what it claims will be the world's largest robot factory, capable of making 2,000 robots a year.

The factory will be completed by early 1984 at Kobe and will use robots for such tasks as spot welding, arc welding and paint spraying.

Kawasaki said it will produce 650 robots in the business year that ends in March and plans to increase production to 1,050 in the coming year. The Kawasaki models are produced under license from Unimation of the United States.

Royal Bank To Seek Growth If Bids Rejected

Reuters

EDINBURGH — Royal Bank of Scotland's development strategy will be based primarily on accelerated domestic and international expansion if the British government dismisses rival bids for Royal from two international banking groups, chairman Michael Herries said Thursday.

He told the annual meeting that international expansion will be slower and more difficult if Royal is unable to merge with its chosen partner, Standard Chartered Bank, Hongkong & Shanghai Banking Corp. is also seeking to acquire Royal Bank.

Mr. Herries said Royal's directors have no information on the Monopolies Commission recommendation on the bids or the government's final decision, both of which are due to be announced Friday.

Brown Boveri Wins Two Mideast Contracts

Reuters

BADEN, Switzerland — Brown Boveri said Thursday it had received two orders from the Middle East totaling 980 million Swiss francs (\$531 million).

The first order, valued at around 780 million francs, is for a power station for the Saudi Consolidated Electric Co. central region. The order includes construction of 16 gas turbines.

The second order, from the Iraqi state electricity organization and valued at around 200 million francs, is for the turnkey supply of switchgear equipment.

Chrysler to Sell Diesel Engine Parts Plant

Reuters

ANN ARBOR, Mich. — Chrysler said Thursday it agreed to sell its diesel engine parts plant here to newly formed G.T. Products for an undisclosed amount.

Pending approval of United Auto Workers Local 630, Chrysler said G.T. Products will continue to manufacture diesel engine components for supply to General Motors' Detroit Diesel Allison division.

Pirelli Sees Higher Dividend, Interest Income

Reuters

MILAN — Pirelli's dividend and interest income should be higher in the year ending April 30 than in the previous year, the company said in a half-yearly report Thursday.

Increased dividend income would come from Pirelli's larger shareholdings in subsidiaries and associates resulting from the end of its former association with Dunlop, it said.

Interest earnings would also increase, reflecting the increased liquidity provided by two capital increases and convertible bond issues last year, it added.

Japan, U.S. Call Off Airline Talks

By Steve Lohr

New York Times Service

TOKYO — U.S. and Japanese officials Thursday concluded four days of talks on trans-Pacific airline service with the two sides still far apart on their long-standing differences.

"We were very disappointed," Darrell M. Trent, deputy U.S. transportation secretary, said after the talks broke off. "There is no question that civil aviation considerations will be linked to broader economic and trade issues in evaluating relations between the United States and Japan."

Mr. Trent, who headed the U.S. delegation, emphasized the importance of the air negotiations that say that air service "links the commerce between the two countries."

The negotiations to revise the bilateral agreement, which is nearly 30 years old, have dragged on inconclusively for more than a year. Broadly speaking, the intent of the stymied negotiations is to increase the trans-Pacific air service that carriers from both countries can provide. But there is great disparity in how the two sides view the current agreement and what services should be expanded.

United Seeks Routes

The Japanese consider the present agreement, which contains language restricting Japan Air Lines' service to the United States but not U.S. carriers' ability to serve Japan, as greatly favoring the United States. Thus Japan wants permission for JAL, which is about 40 percent owned by the government, to serve more points in the United States and to fly beyond the United States to more points in third countries.

For its part, the United States views itself as the disadvantaged party under the current pact because of Japan's refusal to grant Tokyo landing and takeoff rights to United Airlines, the biggest U.S. airline. United received permission from the Civil Aeronautics Board more than a year ago to start U.S.-Japan service.

The proposed United service would involve Seattle-Tokyo and Portland-Tokyo routes. At present two major U.S. carriers, Pan American World Airways and Northwest Airlines, serve Japan. A smaller U.S. airline, Flying Tiger, also flies to Japan.

Because of Japan's refusal to

Canadian Firm Plans 5-Billion Yen Credit

Reuters

TOKYO — Eldorado Nuclear, a Canadian government-owned company, will sign a contract in New York Friday for a 10-year, 5-billion-yen (\$2.4 million) loan from a syndicate of seven Japanese banks, lead manager Long-Term Credit Bank of Japan said Thursday.

The loan is to have a five-year grace period and a fixed interest rate of 8.8 percent. Eldorado supplies about 40 percent of Japan's total refined uranium and will use the funds to help finance construction of additional refining and converting facilities of uranium for

out-of-business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

Since 1975, circumstances have changed considerably, SEC officials said. "This is a balanced adjustment to a very complicated mechanism that was put in place six years ago when the industry was very different from the one that enters the 1980s," said Douglas Scarff, director of the division of market regulation.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's fund dropped below 7 percent of customer debt. At that point, certain restrictions were imposed on the firm aimed at restoring it to a healthier status. When the fund dropped to 4 percent, the firm was out of business.

The net-capital requirement before the change set off early warning signals when a firm's

Bank Doubts Soviet Aid for Polish Debts

From Agency Dispatches

FRANKFURT — Western bankers are coming to the conclusion that the Soviet Union will not help Poland pay off its Western debts.

Reinhold Stössel, the chief economist of Dresdner Bank, said Thursday in a radio interview that Polish officials do not expect help from the Soviet Union in paying off the country's debts to Western banks.

"Obviously, there is not any prospect for this," Mr. Stössel said.

Western banks, however, still believe that it is in the interest of the entire East block that those countries provide collective help for Poland," Mr. Stössel said later.

Rescheduling Terms

At meetings Monday in Warsaw between Dresdner Bank and Polish officials, Poland expressed its intention to meet interest payments, but could not set firm date.

Western banks are insisting that the \$300 million in interest due last year be paid as precondition to any final signing of the rescheduling agreement for the \$2.4 billion in principal on Western bank loans due in 1981. Poland owes the banks a total of \$16 billion.

Banking sources said Wednesday that Poland still owes about \$290 million of the interest outstanding at the end of last year and all the principal, which the country wants to reschedule. Small payments were made in the final week of 1981, and further small payments have been received by some banks recently, the sources said.

Many bankers had justified heavy lending to Poland on the theory that the Soviet Union would not let a Soviet bloc state default on its obligations since a default by one country would affect the credit standing of all the countries in the bloc.

A spokesman for the Dresdner bank said later that Mr. Stössel's statement had to be taken with "a little interpretation."

The interpretation given by some West German bankers was of another escalation in the high-stakes power game going on between Poland and Western banks. According to banking sources, the Poles told the Dresdner group they do not want to become further indebted to the Soviet Union. Rather, they want to complete negotiations with the Western banks on their own.

Breathing Space

Polish Finance Minister Marian Krzak appealed this week to Western bankers to give Poland a one-year "breathing space," which West European analysts interpret as a request for a grace period on all repayments until 1983.

Mr. Krzak also repeated Poland's request for a \$30-million bridging loan from Western banks to cover interest payments due in 1981 — a request that Western banks have rebuffed.

Mr. Krzak said Poland's hard currency needs for 1982 would be a minimum of \$6 billion.

Poland also owes Western governments a total of \$10.5 billion. A Swiss government spokesman said in Bern that Switzerland will oppose any move at a 16-country meeting beginning Thursday in Paris to suspend last year's agreement rescheduling Poland's 1981 debt to Western governments.

Poland has honored all the obligations it undertook in a bilateral rescheduling agreement reached in July with the Swiss government, the official said. Under that agreement, Poland was allowed to defer payment of 90 percent of principal and interest due on loans covered by the export risk guarantee plan falling due between May 1 and Dec. 31. The amount involved was 85 million Swiss francs.

Tesoro, Indonesian in Pact

JAKARTA — Tesoro Petroleum of the United States said Thursday that it has signed a production-sharing agreement with the Indonesian state oil company, Pertamina, to explore for oil and gas on the island of Tarakan. The contract is the first signed by a foreign oil company in Indonesia this year.

Retaliation Pressure Grows in U.S.

By Margaret Garrard Warner
AP-Down Jones

NEW YORK — Foreign manufacturers are free to sell their communications equipment in the United States, but U.S. companies rarely get similar opportunities abroad.

Some members of Congress, frustrated by that imbalance, want to retaliate against countries that restrict U.S. communications and information companies. Their cause is gaining some urgency with last week's settlement of the antitrust case against American Telephone & Telegraph.

When the settlement is put into effect and AT&T's local operating companies are separated from its manufacturing arm, foreign equipment makers will have more opportunity to sell to phone companies in the \$20-billion U.S. telecommunications equipment market. Lawmakers want to make sure that U.S. companies have equal access to similar markets abroad.

At the same time, by allowing AT&T to enter data processing and information businesses here and abroad, the settlement is likely to intensify foreign fears of U.S. dominance in a lucrative field that already includes International Business Machines.

\$60 Billion in Sales

"Before this, IBM was the only U.S. giant in this field on the international scene," said Christopher Vizas, aide to the House information subcommittee. "Unchaining AT&T is likely to trigger a new protectionist response in Canada, Japan and Western Europe."

Involved are communications and computer equipment sales, and such communications-dependent services as international banking and data processing. Together, these industries generate an estimated \$60 billion annually in international sales.

The Senate has passed a bill that includes a provision to protect the industries. It would give the Federal Communications Commission the authority to penalize companies whose state-controlled telecommunications monopolies do not grant U.S. companies "reciprocity," or trading conditions roughly

equal to those extended to foreign concerns in the United States.

The provision, which caught foreign governments by surprise, was approved as part of a Senate bill to deregulate the phone industry; it is included in similar legislation pending in the House of Representatives.

With the Justice Department's settlement of the AT&T case, though, both bills require drastic revision. Nevertheless, Senate and House sources said the trade issue will not be dropped.

Although the Reagan administration does not have a unified position on the problem, most officials favor the reciprocity concept.

'Motherhood Issue'

"The American Congress still believes in free trade," said a Senate trade policy aide. "But after what's happened to consumer electronics and autos, reciprocity is becoming a 'motherhood issue' around here."

Foreign governments have been quietly lobbying against the retaliation idea, saying action against equipment imports would violate international agreements. Some U.S. officials agree, and as a compromise, that provision might be dropped.

Some foreign officials said they hope President Reagan's free-trade philosophy will prevail.

"We cannot believe Mr. Reagan

would support such a clearly protectionist provision," a Japanese official said, "and we are counting on his administration to stop it in Congress."

The major industrialized countries are expected to deal with this and other examples of growing protectionism at a two-day meeting beginning Friday talks in Key Biscayne, Fla. The United States, Japan, Canada, and the European Economic Community are expected to discuss ways to ensure the free trade system and avert protectionism.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Independent equipment makers, which lobbied for the reciprocity measure even before the AT&T settlement, are resuming their efforts. "If we don't get some kind of equity in trade, this settlement just makes us all the more vulnerable," said John Sodolski of the Electronic Industries Association.

U.S. international service firms have also complained that the governments of Western Europe, Japan and Canada manipulate the pricing, availability and technical standards of their communications networks to hamper U.S. companies doing business abroad.

The threat of retaliation could help U.S. negotiators open high-technology markets overseas, said Rep. Glenn English, a Oklahoma Democratic and chairman of the House government information subcommittee.

Notice

U.S. \$75,000,000 IC Industries Finance Corporation N.V.

Guaranteed Floating Rate Notes Due 1991

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from January 15 to July 15, 1982 the Notes will carry an interest rate of 15 1/4% per annum. The interest payable on the relevant interest payment date, July 15, 1982, against Coupon No. 6 will be U.S.\$76.99.

By: The Chase Manhattan Bank,
National Association, New York
Fiscal Agent

U.S. \$175,000,000 National Westminster Finance B.V.

(Incorporated in The Netherlands with limited liability)
Guaranteed Floating Rate Capital
Notes 1991



In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 15 January to 15 July, 1982 the Notes will carry an interest rate of 15 1/4% per annum. The interest payable on the relevant interest payment date, 15 July, 1982 against Coupon No. 2 will be U.S.\$381.80.

By The Chase Manhattan Bank, N.A., London
Agent Bank

This announcement appears as a matter of record only.



AFRICAN DEVELOPMENT BANK

U.S. \$50,000,000

Certificate of Deposit Facility

Arranged by:

American Express Bank International Group

Deposit Management Group:

American Express
International Banking Corporation

Manufacturers Hanover Limited
Société Générale

Banque de Paris et des Pays-Bas

Sumitomo Finance International

Agent:

American Express International Banking Corporation

January 1982

BEAT INFLATION GUARANTEED

We offer term deposit accounts which produce maximum interest while at the same time giving flexibility of choice and absolute security for your money. Keep what you have earned and beat inflation with the following interest rates. GUARANTEED.

NET RETURN

- Minimum deposit equivalent \$500.
- Withdrawals in any amount can be effected on maturity of the agreed notice.
- Interest paid or credited yearly.
- Amounts quoted are based on 1 year fixed time deposits.
- All interest paid is net and without deductions (taxes, etc.) or source.
- All transactions confidential.
- Deposits are unconditionally guaranteed.

Write to Manager for further information.

NO TAX

Swiss Banking Society
Liechtenstein
Europe-Pool
P.O. Box 3632 - Geneva
Tel: 723446, Telex: 2297 STRAS 0K



KRUGERRAND
money you can trust.

investments around. You can follow their value by checking the daily gold price, and some newspapers even publish daily Krugerrand prices.

How do you invest in Krugerrands?

Nothing could be easier.

As the most widely traded gold

coin in the world, you may

buy a single coin or in

quantity - with complete

discretion - through most

banks, stock brokers and bullion

